

Administrative Notice DMMA-02-2007

TO: All DMMA Staff

DATE: March 29, 2007

SUBJECT: Retirement Funds

BACKGROUND

DMMA has received guidance from the Social Security Administration about Defined Contribution Retirement Plans, and Defined Benefit Retirement Plans. This guidance is based on (1) Social Security Policy Brief No. 2006-01, dated March 2006, and (2) POMS SI 01330.120.

DISCUSSION

Defined Contribution Plans that are owned by the applicant are counted as a resource. Defined Benefit Plans owned by the applicant are excluded as a resource until the recipient meets eligibility criteria outlined in the retirement plan contract (e.g., actually retired and reached a predetermined age).

ACTION REQUIRED

- Obtain a copy of the plan contract
- Determine if the retirement fund is a Defined Contribution Plan or a Defined Benefit Plan
- A Defined Contribution Plan owned by the applicant is a countable resource
- A Defined Benefit Plan is excluded as a resource until the applicant meets the eligibility criteria outlined in the plan contract
- If either of these plans are owned by an ineligible spouse, exclude as a resource
- Review 20330.4 DSSM

DIRECT INQUIRIES TO

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Signed - March 29, 2007
HARRY B. HILL, DIRECTOR
DIVISION OF MEDICAID & MEDICAL ASSISTANCE